

**In the Matter Of:**

*IN RE LTL Management LLC Bankruptcy*

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*JOHN KIM*

*April 14, 2023*

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<p>1 UNITED STATES BANKRUPTCY COURT 2 DISTRICT OF NEW JERSEY 3 4 IN RE: Chapter 11 5 6 LTL MANAGEMENT LLC, Case No.: 23-12825 (MBK) 7 8 Debtor, 9 _____/ 10 11 * C O N F I D E N T I A L * 12 VIDEOTAPED DEPOSITION 13 OF 14 JOHN KIM 15 FRIDAY, APRIL 14, 2023 16 17 18 19 20 21 22 Reported by: 23 Bridget Lombardozzi, CSR, RMR, CRR 24 JOB NO. 2023-893116 25</p>	<p>1 A P P E A R A N C E S: 2 3 Attorneys for Official Committee of Talc 4 Claimants 1: 5 6 BROWN RUDNICK 7 7 Times Square 8 New York, New York 10036 9 BY: JEFFREY JONAS, ESQ. 10 jjonas@brownrudnick.com 11 MICHAEL S. WINOGRAD, ESQ. 12 mwinograd@brownrudnick.com 13 JENNIFER SCHEIN, ESQ. (Remote) 14 jscheinbrownrudnick.com 15 SUSAN SIEGER-GRIMM, ESQ. (Remote) 16 ssieger-grimm@brownrudnick.com 17 W. LYDELL BENSON, ESQ. 18 WLBenson@brownrudnick.com 19 20 GENOVA BURNS 21 BY: DANIEL M. STOLZ, ESQ. (Remote) 22 Genova Burns 23 494 Broad Street 24 Newark, NJ 07102 25 dstolz@genovaburns.com</p>

1 <b>Mr. Murdica as far as you know or does he do 2 anything to confirm that those are actual 3 claims?</b>  4 MS. BROWN: I object. It 5 lacks foundation and calls for 6 speculation.  7 <b>Q. You can answer.</b>  8 MS. BROWN: If you know, you 9 can answer, Mr. Kim.  10 A. I can answer I think generally. It 11 depends upon what we're doing or why we're getting 12 that information. So as a matter of practice, the 13 standard practice -- for example, settlements in a 14 mass tort -- would be you would be negotiating a 15 settlement based upon representations of a 16 plaintiff's firm as to who they represent. And 17 you would negotiate on -- on that basis.  18 At some point in time, like when it 19 comes down to payment, at that point you might 20 try to start vetting the number of claims they 21 had, but prior to that it would make no sense and 22 there's no rationale and no reason to -- to doubt 23 what -- what the plaintiff's lawyer said.  24 So, for example, in the PSA situation --  25 <b>Q. Mm-hmm. You -- you're stealing my</b>	Page 49  1 through that, that expensive and time-consuming 2 process. 3 In fact, especially because we're not 4 paying people. There's no incentive for a 5 plaintiff's lawyer to tell -- to lie about how 6 many people they represent because they're going 7 to -- they're going to get paid when they have 8 people -- the claims are going to get paid later 9 on if the vote goes through or not.  10 <b>Q. Mm-hmm.</b> 11 A. So -- yeah. So that's -- that's what I 12 would say about vetting processes. 13 <b>Q. So just to put it in your vernacular, is 14 it fair to say that the -- where you are today 15 with the PSAs is the front end? I think that was 16 your term.</b> 17 MS. BROWN: I object; 18 misstates his testimony. 19 A. So what I would say is that in the 20 process of the PSA, when entering into these PSA 21 agreements and getting the -- the reliance -- 22 relying -- it would be appropriate, typical, it 23 would be in -- in -- in line with everything we've 24 always done in all these cases to rely on the -- 25 you know, the -- the statements that counsel made
Page 50  1 <b>thunder. Go ahead.</b> 2 A. Yeah. So in the PSA situation, we have 3 to rely in the first instance on the 4 representations made by counsel and this is the 5 same for virtually every settlement that you enter 6 into in a mass tort setting. You have to rely on 7 that. And it would make no sense at the front 8 end --  9 <b>Q. Mm-hmm.</b> 10 A. -- to spend the time or resources to try 11 to verify each and every one of their plaintiffs. 12 That just -- it's not what happens in the 13 industry. It's not -- it's not what we've done. 14 It's not what we did in the PSA.  15 When it comes to a later point -- for 16 example, voting -- or when it comes to a payment, 17 that's really when you need to verify the -- 18 these -- the, you know, bona fides of -- of 19 these -- of these claimants because that's when it 20 makes sense.  21 But at the beginning of the process, 22 when -- especially in the PSA process, when all 23 you're trying to do is gauge the number of 24 claimants that have -- that can support something, 25 there's absolutely no -- no reason to have to go	Page 50  1 to us about the people that they represent. 2 <b>Q. Okay. So just to use a hypothetical, if 3 the -- the law firms that you've entered into PSAs 4 with, if they told you they had a million claims, 5 you wouldn't do anything to vet or confirm that, 6 would you?</b> 7 MS. BROWN: I object -- I 8 object to the hypothetical. 9 <b>THE WITNESS: Yeah.</b> 10 MS. BROWN: Particularly for 11 a fact witness. I object.  12 <b>Q. You can answer.</b> 13 A. What I would say is there -- of course 14 there are going to be times when you -- if you 15 have doubts, then there are other steps you can 16 take. But generally the people that we -- we deal 17 with in this situation, I rely on -- on -- on 18 counsel to do the initial, you know, do we have 19 any doubts about what this person has? You know, 20 the number of claims they have.  21 We also have some backup, too. I mean, 22 we -- you know, it's -- it's not just, oh, here's 23 my -- here's my word. We ask for, you know -- we 24 do ask at times to see certain data, like their 25 list of clients, which are generally attached to



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<p>1 <b>would have been available to LTL to satisfy those</b> 2 <b>claims?</b></p> <p>3 MS. BROWN: At what point in 4 time? I object.</p> <p>5 <b>Q. While it was in existence.</b></p> <p>6 MS. BROWN: In bankruptcy?</p> <p>7 MR. JONAS: No, outside of 8 bankruptcy.</p> <p>9 A. Well --</p> <p>10 <b>Q. Let me ask you this --</b></p> <p>11 A. Outside of bankruptcy, there was a 12 time -- but that was prefiling. It would have 13 been -- again, the fair market value of -- so -- 14 so if there was no bankruptcy, no thought of 15 bankruptcy, nothing like that, then it, you know, 16 would be -- it would be the value of JJCI --</p> <p>17 <b>Q. Yeah.</b></p> <p>18 A. -- at that time --</p> <p>19 <b>Q. Yeah.</b></p> <p>20 A. -- solely without any support from J &amp; J 21 --</p> <p>22 <b>Q. Yeah.</b></p> <p>23 A. -- which, again, I think the fair market 24 value of the assets at that time was about \$60 25 billion.</p>	<p>1 made that determination, that there was a material 2 risk that there was -- that the funding agreement 3 was void or voidable and informed the board and 4 the board made that determination.</p> <p>5 <b>Q. When did you first -- when did it first</b> 6 <b>come into your mind that the funding agreement</b> 7 <b>might be void or voidable?</b></p> <p>8 A. I think around -- it must have been 9 right around the time of the Third Circuit 10 decision.</p> <p>11 <b>Q. Okay. And did anyone else comment to</b> 12 <b>you that, oh, my gosh, the funding agreement might</b> 13 <b>be void or voidable or just something you --</b> 14 <b>you -- you came up with?</b></p> <p>15 A. There were numerous discussions about 16 the enforceability of the funding agreement.</p> <p>17 <b>Q. Okay. Well, I want to drill down on</b> 18 <b>that.</b></p> <p>19 <b>The Third Circuit decision comes out and</b> 20 <b>it found that the filing was in bad faith and</b> 21 <b>needed to be dismissed, correct?</b></p> <p>22 A. It found that the filing -- that the 23 bankruptcy needed to be dismissed, yes.</p> <p>24 <b>Q. And that was -- let me get my date</b> 25 <b>right. That was on or about January 30th,</b></p>	
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<p>1 <b>Q. It was actually more than that, wasn't</b> 2 <b>it? It had increased from the time you signed the</b> 3 <b>funding agreement until when the bankruptcy was</b> 4 <b>dismissed. The value of JJCI had increased from</b> 5 <b>\$60-odd-billion to something more than that, is</b> 6 <b>that not right?</b></p> <p>7 A. I don't -- I don't know.</p> <p>8 Q. Okay. But just to put a point on it, 9 the moment in time when the bankruptcy -- when 10 Bankruptcy Number One was dismissed and the -- 11 before the two hours or so later that you filed 12 Bankruptcy Number Two, there was at least a moment 13 there where you had -- LTL had the benefit of the 14 first funding agreement, right?</p> <p>15 MS. BROWN: I --</p> <p>16 A. No, I disagree.</p> <p>17 <b>Q. You disagree. And why do you disagree</b> 18 <b>with that?</b></p> <p>19 A. Because we had -- we had concluded that 20 there was a material risk that the funding 21 agreement was void or voidable as I stated in my 22 -- my declaration.</p> <p>23 <b>Q. And who made the determination that the</b> 24 <b>funding agreement was void or voidable?</b></p> <p>25 A. At the end of the day, I guess I -- I</p>	<p>1 <b>2023?</b></p> <p>2 A. Yes.</p> <p>3 Q. Okay. So when -- following January 4 30th, 2023, and the Third Circuit decision, 5 approximately when was the first communication you 6 had with anybody about the possibility that the 7 funding agreement was void or voidable? Again, 8 I'm not asking for substance or legal 9 communications. I just want to know when the 10 first communication you had with anybody about the 11 possibility that it was void or voidable, when did 12 that happen?</p> <p>13 A. I think that day.</p> <p>14 Q. And had you -- and you had never thought 15 about it prior to that time?</p> <p>16 A. Never.</p> <p>17 Q. Never did any analysis of the funding 18 agreement?</p> <p>19 A. No.</p> <p>20 Q. What might happen if the bankruptcy's 21 dismissed?</p> <p>22 A. Not in line -- not -- not in line with 23 what the Third Circuit had said.</p> <p>24 Q. Hmm. Well, what was it about what the 25 Third Circuit said that made you believe that the</p>	

<p style="text-align: right;">Page 77</p> <p><b>1 funding agreement was void or voidable?</b></p> <p>2 A. There was a footnote that suggested that 3 it was ironic that funding -- the guarantee by 4 J &amp; J which was done without -- that was not 5 required by J &amp; J to do caused the bankruptcy to 6 be filed in bad faith. So that -- that guarantee 7 was specifically put in in order to enhance the 8 prospects of bankruptcy.</p> <p>9 And so immediately when the Third 10 Circuit said that not -- not only did it not 11 enhance the bankruptcy but, in fact, it thwarted 12 it, we thought that that -- it was unfair, that it 13 made little sense in the scheme of things, but 14 that that would render the guarantee void or 15 voidable because of various legal rationales.</p> <p>16 So that -- that's on the -- that's why 17 the Third Circuit decision triggered -- triggered 18 that issue.</p> <p><b>19 Q. What -- what law firm advised LTL in 20 connection with the -- the negotiation of the 21 original funding agreement?</b></p> <p>22 A. That was Jones Day.</p> <p><b>23 Q. And has the board investigated or 24 requested other counsel to look at a malpractice 25 claim against Jones Day in connection with</b></p>	<p style="text-align: right;">Page 79</p> <p>1 discussed this with have indicated that they 2 believe that the Third Circuit -- the Third 3 Circuit was wrong and that it should have been 4 reheard.</p> <p><b>5 Q. What law firms have you discussed this 6 with?</b></p> <p>7 MS. BROWN: Well, I -- yeah, 8 I don't want you to get into any -- 9 THE WITNESS: I know, yeah.</p> <p>10 MS. BROWN: You can identify 11 counsel that you have, but beyond that 12 you should not discuss the specifics 13 of discussions about the Third Circuit 14 decision.</p> <p>15 BY MR. JONAS:</p> <p><b>16 Q. I'm not -- I'm certainly not asking for 17 specifics of discussions. I just -- you said 18 you've discussed the Third -- in connection with 19 everyone agreeing that the Third Circuit was 20 wrong.</b></p> <p>21 A. Yeah --</p> <p><b>22 Q. Let me finish, please. Let me finish, 23 please.</b></p> <p><b>24 You said that you discussed that with 25 law firms. I just want to know which law firms</b></p>
<p style="text-align: right;">Page 78</p> <p><b>1 delivering a funding agreement that became void or 2 voidable?</b></p> <p>3 A. Not -- certainly not.</p> <p><b>4 Q. Why not?</b></p> <p>5 A. Because when I looked at this issue, 6 I -- I think everyone agrees that the Third 7 Circuit decision, A, is wrong. We believe that 8 the Third Circuit made a mistake. And -- and, B, 9 that it was something that no one would have -- 10 could have anticipated.</p> <p>11 So, you know, that -- yeah, we -- we 12 thought we did everything correctly, but that 13 because of the Third Circuit's decision, which we 14 believe was in error and changed the law, that -- 15 that caused the purpose -- well, again, there 16 are various legal theories behind it, but that 17 frustrated the purposes of the funding agreement 18 and rendered it void or voidable.</p> <p><b>19 Q. You said everyone agrees that the Third 20 Circuit was wrong.</b></p> <p>21 A. Oh.</p> <p><b>22 Q. Who's -- who's "everyone"?</b></p> <p>23 A. Every -- that's -- that was broad. 24 People that I've spoken to and advises the 25 company. So the -- the law firms that we've</p>	<p style="text-align: right;">Page 80</p> <p><b>1 have you discussed that with?</b></p> <p>2 MS. BROWN: But if -- if he 3 identifies the law firm, he will then 4 identify the advice or the discussions 5 or the statements.</p> <p>6 And so if you don't think you 7 can do it without implicating legal 8 discussions, then I'll advise you not 9 to answer.</p> <p>10 A. I don't know how I can not divulge. I 11 mean, it's sort of -- I'm trying to think of a way 12 to phrase it differently.</p> <p>13 We certainly -- we certainly filed a 14 motion to rehear and there were counsel listed on 15 that motion that supported that position by -- 16 by -- by filing. So that would be Jones Day.</p> <p>17 That would be Hogan Lovells. That would be -- I'm 18 not sure who else was actually on that filing. 19 Skadden? I don't know.</p> <p>20 But -- but those certainly are -- are 21 ones. Others I don't want to divulge on client -- 22 attorney-client privilege grounds.</p> <p><b>23 Q. Okay. But the LTL board has not 24 investigated a possible claim against Jones Day in 25 connection with negotiating an agreement which</b></p>

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<p>1 <b>became void?</b></p> <p>2 MS. BROWN: He already 3 answered that and, truthfully, it 4 calls for legal advice and divulgement 5 of legal strategies. So he's not 6 going to answer it a second time.</p> <p>7 MR. JONAS: So is that an 8 instruction?</p> <p>9 MS. BROWN: Yeah.</p> <p>10 MR. JONAS: All right.</p> <p>11 BY MR. JONAS:</p> <p>12 <b>Q. Okay. So I want to go back. It's 13 late January. The Third Circuit issues its 14 decision which you obviously thought was wrong 15 and you start thinking about the -- the risk 16 that the funding agreement was void or voidable, 17 right?</b></p> <p>18 A. Among other -- that was one of the 19 considerations that we -- that we had.</p> <p>20 <b>Q. What other considerations did you 21 have?</b></p> <p>22 A. I think we were looking at other 23 contingency -- we were looking at what -- what the 24 ramifications were for -- for dismissal of 25 bankruptcy and -- and other options we could</p>	<p>1 <b>The fund -- the parties to the funding 2 agreement are LTL, right?</b></p> <p>3 A. Yes.</p> <p>4 <b>Q. Johnson &amp; Johnson Consumer, Inc., right?</b></p> <p>5 A. Yes. You're talking about the old --</p> <p>6 <b>Q. Yeah, the old funding agreement.</b></p> <p>7 <b>And Johnson &amp; Johnson, right?</b></p> <p>8 A. Yes.</p> <p>9 <b>Q. So did you ever discuss with those 10 parties whether they thought the funding agreement 11 was void or voidable?</b></p> <p>12 A. There were discussions among counsel for 13 those parties.</p> <p>14 <b>Q. Well, let me ask you. Your -- again, 15 was it Johnson &amp; Johnson or JJCI -- JJCI's view 16 that the agreement was void or voidable?</b></p> <p>17 MS. BROWN: I think that's 18 going to implicate legal advice and 19 would cause you to speculate as well, 20 so I object.</p> <p>21 Can you answer that question 22 without divulging information of other 23 lawyers that you may also have a 24 privilege with under the common 25 interest?</p>	
<p>1 take. That's all put into the board minutes, I 2 think.</p> <p>3 MS. BROWN: And, Jeff, when 4 you get to a good spot, can we take a 5 break before you do a new subject?</p> <p>6 MR. JONAS: Just give me a 7 couple?</p> <p>8 MS. BROWN: Yep.</p> <p>9 MR. JONAS: Thank you.</p> <p>10 BY MR. JONAS:</p> <p>11 <b>Q. So when you -- when it first came to 12 your mind that the funding agreement must be void 13 or voidable, what -- what steps did you take in 14 that regard?</b></p> <p>15 MS. BROWN: Without revealing 16 legal advice, Mr. Kim.</p> <p>17 MR. JONAS: Yeah. Yeah.</p> <p>18 Always the case.</p> <p>19 A. I think there were numerous discussions 20 about the enforceability of -- of the funding 21 agreement. There are certain alternatives to 22 bankruptcy. You know, the -- the -- whether we 23 should be refiling for bankruptcy.</p> <p>24 <b>Q. Well, the funding agreement -- I just 25 want to check.</b></p>	<p>1 <b>THE WITNESS: No, but --</b></p> <p>2 MS. BROWN: Okay. Then I'm 3 just going to instruct you not to 4 answer.</p> <p>5 <b>Q. You know, I'm just -- it's going to be 6 a bad question, Mr. Kim, but I'd like to just cut 7 to the chase because I know we want to take a 8 break.</b></p> <p>9 <b>So you're a party -- you're one of the 10 parties to an agreement, right?</b></p> <p>11 A. We are.</p> <p>12 <b>Q. And it's a good agreement for you 13 because the other party's going to give you a lot 14 of money, right?</b></p> <p>15 A. Well, it's -- not necessarily, no. It's 16 a bad agreement because our principal purpose for 17 getting into the -- for -- for entering into all 18 these agreements -- the divisional merger 19 agreements, the funding agreements -- the 20 principal purpose was to try to resolve these 21 lawsuits in -- these talc lawsuits in bankruptcy 22 because that's where we can get a full, fair, 23 final resolution.</p> <p>24 So if there's something in those 25 agreements that actually -- not -- not enhances</p>	Page 84

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<p>1 <b>but is in financial distress --</b></p> <p>2 A. Mm-hmm.</p> <p>3 Q. -- what time period were you referring</p> <p>4 to?</p> <p>5 A. At all -- at all times.</p> <p>6 Q. <b>At all times.</b></p> <p>7 A. Yes.</p> <p>8 Q. <b>Okay. So I'm referring to at all</b></p> <p>9 <b>times.</b></p> <p>10 A. Okay.</p> <p>11 Q. <b>What is the basis of your saying that</b></p> <p>12 <b>LTL is not -- is not insolvent and -- but is in</b></p> <p>13 <b>financial distress?</b></p> <p>14 A. Because it has sufficient funds to pay</p> <p>15 off its -- its debts currently as they come due.</p> <p>16 It is not -- I don't think it fits any measure of</p> <p>17 what's insolvent. Financial distress is a little</p> <p>18 tougher because I think, as the Third Circuit</p> <p>19 pointed out, there's really no definition of</p> <p>20 financial distress. But what I would say is that</p> <p>21 at every point in time -- and I would include even</p> <p>22 prior to our -- you know, we disagree with the</p> <p>23 Third Circuit on -- on whether it was in financial</p> <p>24 distress during LTL 1.</p> <p>25 But I would say at all points in time</p>	<p>1 The -- the way that bankruptcy works is once it</p> <p>2 goes into bankruptcy, there are automatic stays</p> <p>3 put in place. And we're, again, moving for</p> <p>4 preliminary injunction that would stop the li --</p> <p>5 the liabilities from -- from becoming -- coming to</p> <p>6 fruition.</p> <p>7 So once you file bankruptcy, the concept</p> <p>8 of financial distress I think is really not</p> <p>9 something that you can look at. I think what you</p> <p>10 have to look at is just before filing bankruptcy</p> <p>11 what the liabilities are and what the -- the</p> <p>12 assets are.</p> <p>13 Q. And let me ask you. You in your</p> <p>14 affidavit -- strike.</p> <p>15 Part of your declaration was in support</p> <p>16 of the -- of LTL's request that a preliminary</p> <p>17 injunction be entered, correct?</p> <p>18 A. Correct.</p> <p>19 Q. And you -- in your declaration, you said</p> <p>20 that you needed the preliminary injunction to</p> <p>21 avoid immediate and irreparable harm, right?</p> <p>22 A. Correct.</p> <p>23 Q. Okay. And what is -- what do you</p> <p>24 believe to be the immediate and irreparable harm</p> <p>25 to the debtor if a preliminary injunction is not</p>	
<p>1 because of the talc liability, the -- that</p> <p>2 liability puts the finances of, you know, the</p> <p>3 operations and business in -- in jeopardy, which I</p> <p>4 think, you know, would be a definition of</p> <p>5 financial distress. So the amount of -- of</p> <p>6 litigation costs especially and the threat of --</p> <p>7 of -- of these outsized verdicts, if that happens,</p> <p>8 and -- and it could happen, it would put the --</p> <p>9 the business in -- in -- in distress.</p> <p>10 Q. <b>But at the time it filed, it had -- LTL</b></p> <p>11 <b>had agreements with high-teen number of firms</b></p> <p>12 <b>representing, you say, 60,000-odd claims and a</b></p> <p>13 <b>plan to resolve all talc claims fairly and</b></p> <p>14 <b>equitably with a commitment by J &amp; J entities to</b></p> <p>15 <b>fund \$8.9 million in the context of a plan.</b></p> <p>16 So why was it in financial distress?</p> <p>17 A. Well, that's if it did file for</p> <p>18 bankruptcy. I think we're looking at the time</p> <p>19 period just before filing.</p> <p>20 Q. I see.</p> <p>21 So it was in financial distress at the</p> <p>22 moment before it filed, but it's not in financial</p> <p>23 distress anymore, right?</p> <p>24 A. Well, it's not in financial distress --</p> <p>25 the way that -- and you know this better than I.</p>	<p>1 entered?</p> <p>2 A. I think we covered a lot of this in</p> <p>3 our -- in the first LTL hearings and, you know, I</p> <p>4 don't want to repeat myself too much. But, you</p> <p>5 know, the -- the preliminary injunction goes to</p> <p>6 protected parties, and so mostly J &amp; J retailers.</p> <p>7 You know, the -- the issue there is that</p> <p>8 the plaintiffs would be bringing claims against</p> <p>9 the protected parties for the same product, same</p> <p>10 injury, same plaintiff. The theories would be</p> <p>11 identical. Basically they'd be suing for the same</p> <p>12 things that they would be suing LTL for. I think,</p> <p>13 again, we -- we covered this at -- at length in</p> <p>14 our prior -- prior case.</p> <p>15 And that letting things like those cases</p> <p>16 go forward would really be detrimental, especially</p> <p>17 in this bankruptcy where we have a plan that we're</p> <p>18 working on, that's being supported by lawyers that</p> <p>19 represent 60,000 plaintiffs, having all this</p> <p>20 ancillary litigation on the same claims, same</p> <p>21 product, with these same plaintiffs, would</p> <p>22 clearly be a detriment to the ability to -- to</p> <p>23 reorganize.</p> <p>24 There are all these other issues that I</p> <p>25 think we've gone through at length in the prior</p>	Page 120

1        How long was the March 28th board 2 meeting? 3        A. March 28th board meeting was a couple 4 hours. 5        Q. Okay. 6        A. Maybe three. Two to three hours. 7        Q. And would you say this was the principal 8 meeting where the -- there was substantive 9 discussion about filing a second bankruptcy if the 10 first bankruptcy was dismissed? 11       A. No. I think if you look at the March 12 16th minutes, there was discussion then too. 13       Q. Okay. Similarly, March 16th and there 14 was also discussion about terminating and entering 15 into a new funding agreement? 16       A. I believe there was. 17       Q. Okay. And, again, I'm not asking you 18 for the substance of legal advice, but do you 19 recall if -- whether on the March 16th meeting 20 there was discussion about whether or not 21 terminating the funding agreement was a fraudulent 22 conveyance? 23        MS. BROWN: Objection. 24        If you can't answer that 25 without implicating legal advice --	Page 165  1        A. Yeah, I think that's right. I think 2 that's right, yeah. 3        Q. Okay. And would that be the same answer 4 for any additional board discussions that took 5 place after March 16th on that topic? 6        A. Yes. Regarding the discussions, yes. 7 Any discussions, yes. 8        Q. Okay. Do you have a belief as to 9 whether or not termination of the funding 10 agreement was a fraudulent conveyance? 11        MS. BROWN: I object. I 12 object to answering that substantively 13 because your opinion is the legal 14 opinion. 15        THE WITNESS: I think he said 16 just do I have a belief? I do. 17 BY MR. JONAS: 18        Q. Okay. Betcha I know the answer. 19        Okay. Let's move along. Let's move 20 along before we all run out of steam. 21        Just take a look at page 24, please. 22        A. Yes. 23        Q. And the -- the -- the block here that 24 shows assets and estimated values, do you see 25 that?
Page 166  1        THE WITNESS: Yeah. 2        MR. JONAS: I think he can 3 tell me whether he recalls there was 4 discussion. 5        MS. BROWN: Well, but by 6 saying yes or no to that, he's talking 7 about a legal issue and the board 8 minutes at Exhibit 11 reference this 9 discussion was being led by 10 Mr. Prieto. 11       MR. JONAS: Again, I -- 12       MS. BROWN: What's the 13 question again? 14       MR. JONAS: The question was: 15       Do you recall whether at the March 16 16th board meeting, there was any 17 discussion with respect to whether the 18 termination of the funding agreement 19 was a fraudulent conveyance? 20       MS. BROWN: Do you recall? 21       Yes or no. You can answer. 22       A. Yes, I recall. 23       Q. And I take it the -- you couldn't tell 24 me anything else about that that would not be 25 covered by the privilege?	Page 166  1        A. Yes. 2        Q. And this is telling us that LTL had cash 3 of 30 million and the RAM ownership was worth 4 roughly 367 million? 5        A. That is correct. 6        Q. And then why is it showing the value of 7 Holdco, if you know? 8        MS. BROWN: Calls for 9 speculation. 10       A. Because we were discussing Holdco's 11 funding obligation at the time. 12       Q. Okay. And it shows these -- it shows 13 these assets of Holdco. And I tried to understand 14 it when I read the materials. Do you -- can you 15 explain the "2022 GH Biotech dividend"? Because I 16 couldn't understand it. 17       A. I -- I -- I am not the person. This was 18 reported to me. This comes from -- these numbers 19 come from the finance group. 20       Q. Okay. 21       A. They're the ones that would know what 22 they really mean. 23       Q. And what finance group are you referring 24 to? 25       A. The J & J finance group.

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<p>1 Q. J &amp; J. Okay.</p> <p>2 A. Their -- their shared service that does</p> <p>3 treasury services for all of the J &amp; J</p> <p>4 subsidiaries.</p> <p>5 Q. And if I look at page 25, I take it when</p> <p>6 I see the bullet that says "No estimate or</p> <p>7 valuation of aggregate talc liability," do you see</p> <p>8 that?</p> <p>9 A. I do.</p> <p>10 Q. So LTL, as of this date at least, March</p> <p>11 28th, didn't have an estimate or a valuation of</p> <p>12 aggregate talc liability. Is that what that tells</p> <p>13 me?</p> <p>14 A. Yes. We only knew that, of course, it</p> <p>15 was substantial.</p> <p>16 Q. Okay. Okay. Okay. Let's move on.</p> <p>17 MR. JONAS: Kim 19, please.</p> <p>18 (Whereupon, exhibit is</p> <p>19 received and marked Kim Deposition</p> <p>20 Exhibit 15 for identification.)</p> <p>21 THE REPORTER: Kim 15 for</p> <p>22 identification.</p> <p>23 THE WITNESS: Thank you.</p> <p>24 BY MR. JONAS:</p> <p>25 Q. Okay. Mr. Kim, this is minutes from a</p>	<p>1 Q. Okay. And those were approved by the</p> <p>2 board on April 2nd?</p> <p>3 A. They were. I'm sorry, April 2nd, yes.</p> <p>4 Q. Okay. And, you know, if we look at page</p> <p>5 3, again we see this discussion about ongoing</p> <p>6 discussions with the future claims representative.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. And here it tells us that the FCR had</p> <p>10 determined not to submit a declaration in support</p> <p>11 of the new case.</p> <p>12 A. Correct.</p> <p>13 Q. And I apologize if I asked you, but do</p> <p>14 you know the reason why she made that decision?</p> <p>15 A. No. She decided to take no position.</p> <p>16 Q. Okay. But let me ask you, why wasn't</p> <p>17 it -- why was there an effort to get her support,</p> <p>18 if you know?</p> <p>19 MS. BROWN: Yeah, objection.</p> <p>20 Calls for speculation.</p> <p>21 And, Mr. Kim, I think you</p> <p>22 testified earlier this issue</p> <p>23 implicated legal advice --</p> <p>24 THE WITNESS: Yeah.</p> <p>25 MS. BROWN: -- and so I'll</p>
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<p>1 board meeting on April 2nd, 2023, correct?</p> <p>2 A. Correct.</p> <p>3 Q. And you attended?</p> <p>4 A. I did.</p> <p>5 Q. Okay. And I see below -- I'm trying to</p> <p>6 expedite here a little bit -- in the paragraph</p> <p>7 under "Introductory remarks and call to order," it</p> <p>8 says "Mr. Kim welcomed the members of the board,"</p> <p>9 et cetera, right?</p> <p>10 A. Yes.</p> <p>11 Q. And then on the agenda was -- Item 3 was</p> <p>12 a -- a request for board action with proposed next</p> <p>13 steps, correct?</p> <p>14 A. Correct.</p> <p>15 Q. And one of those actions -- or a part of</p> <p>16 those actions were to, upon dismissal of the</p> <p>17 bankruptcy case, terminate the existing funding</p> <p>18 agreement, correct?</p> <p>19 A. Correct.</p> <p>20 Q. Enter into a new funding agreement,</p> <p>21 correct?</p> <p>22 A. Correct.</p> <p>23 Q. File -- and -- and file bankruptcy</p> <p>24 again, correct?</p> <p>25 A. Correct.</p>	<p>1 instruct you --</p> <p>2 (Unintelligible cross talk;</p> <p>3 reporter requests one speaker.)</p> <p>4 THE REPORTER: So I'll</p> <p>5 instruct you?</p> <p>6 MS. BROWN: Not to reveal any</p> <p>7 legal advice.</p> <p>8 A. Yeah, it would be privileged.</p> <p>9 Q. Okay. And last part of this paragraph</p> <p>10 talks about discussion with risk management</p> <p>11 personnel of J &amp; J regarding the availability</p> <p>12 of --</p> <p>13 MR. JONAS: Can everybody</p> <p>14 mute, please? Mute. Mute. Mute.</p> <p>15 Q. The last topic is "Discussions with risk</p> <p>16 management personnel at J &amp; J regarding the</p> <p>17 availability of D&amp;O insurance coverage for members</p> <p>18 of the board."</p> <p>19 Do you see that?</p> <p>20 A. I do.</p> <p>21 Q. Do you remember the nature of that</p> <p>22 discussion?</p> <p>23 MS. BROWN: And hold on a</p> <p>24 second. It's presented by Mr. Prieto,</p> <p>25 so, again, same instructions.</p>

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<p>1 A. That comes from my experience in the 2 industry and discussions with counsel. 3 Q. Which counsel? 4 A. Jim Murdica. 5 Q. Okay. But other than that, you -- you 6 have no basis for that statement? 7 MS. BROWN: Objection. 8 Misstates testimony. 9 A. I know how litigation financing works 10 and the prevalence of it in the industry. 11 Q. And do you think that interfered with 12 your ability to settle talc claims? 13 A. It certainly had an effect, yes. 14 Q. What was the effect? 15 A. The -- well, the com -- the common 16 effect is that lawyers that have financing have to 17 pay back their -- their lenders before they make 18 any profit and that affects the settlements, the 19 ability to settle and the amount of settlements. 20 Sort of intellectual property ipse dixit, I 21 guess. 22 Q. We talked about two rescinding firms. I 23 think you said Seeger Weiss and Robinson, is that 24 right? 25 A. Yes.</p>	<p>1 A. Hello, Mr. Block. Yes, I can. 2 Q. Okay. As you know, my name is Jerome 3 Block from the law firm of Levy Konigsberg and I 4 represent certain talc claimants. 5 Mr. Kim, LTL was formed on or about 6 October 12th, 2021, correct? 7 A. That is correct. 8 Q. And when LTL was formed, as of the 9 moment it was formed, it had the funding agreement 10 that was backed by J &amp; J, correct? 11 MS. BROWN: Objection to the 12 form. 13 A. So it had -- it had the funding 14 agreement -- it had a funding agreement with New 15 JJCI and J &amp; J. 16 Q. Right. 17 And you've read the Third Circuit 18 opinion on the LTL case, correct? 19 A. I did. 20 Q. And did you see where the Third Circuit 21 actually called the funding agreement a "birth 22 gift" to LTL? It's something that LTL had since 23 day one of its formation, correct? 24 A. I -- I did see that in the -- in the 25 decision, yes.</p>
<p>Page 178</p> <p>1 Q. Okay. Do -- do you understand as to -- 2 well, strike that. 3 Is the Lanier Firm part of the settling 4 firms with Johnson &amp; Johnson or not? 5 A. I -- I don't know. I don't know. 6 Q. Okay. 7 MR. JONAS: Okay. If we take 8 five minutes, I think I can wrap up. 9 MS. BROWN: Okay. Sounds 10 good. 11 THE VIDEOGRAPHER: This ends 12 Unit 5. We're off the record at 6:11. 13 (Whereupon, a recess is 14 taken.) 15 THE VIDEOGRAPHER: This 16 begins Unit 6. We're on the record at 17 6:22. 18 MR. JONAS: And I will turn 19 over the examination to others that 20 are here to participate. I think 21 Mr. Block is going to go first. 22 All yours, Jerry. 23 CROSS-EXAMINATION 24 BY MR. BLOCK: 25 Q. Hello, Mr. Kim. Can you hear me okay?</p>	<p>Page 180</p> <p>1 Q. Okay. And as of the date of its 2 formation, LTL had access to the funding agreement 3 outside of the bankruptcy even before LTL filed 4 for bankruptcy on October 14th, 2021, correct? 5 A. Yes. For that period of time before 6 filing, it had access to the funding agreement. 7 Q. Okay. And then do you recall, sir, 8 that -- it was either the day before or a couple 9 days before LTL filed for bankruptcy in October 10 14th, 2021. Do you remember there was a board 11 meeting to discuss options including whether to 12 file for bankruptcy? 13 A. I do recall that. 14 Q. Okay. And -- and we've looked at the 15 minutes of that meeting before, correct? 16 A. In the prior proceeding, we did, yes. 17 Q. Okay. And what you explained to us, and 18 what the meetings reflect, was that various 19 options were presented to the LTL board and 20 ultimately you made a recommendation that 21 bankruptcy be filed and the board did decide to 22 file for bankruptcy which was filed on October 23 14th, 2021, correct? 24 A. I believe that's true. I -- I don't 25 have the -- the filing in front of me for the</p>

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<p>1 date, but I think that -- that sounds right.</p> <p>2 <b>Q. Okay. And if LTL -- strike that.</b></p> <p>3 And if the board of LTL at that board</p> <p>4 meeting prior to October 14th, 2021, had decided</p> <p>5 not to pursue bankruptcy, LTL still would have had</p> <p>6 that funding agreement that was backed by J &amp; J</p> <p>7 and JJCI, correct?</p> <p>8 A. I would say -- I testified to this in</p> <p>9 the last proceeding. What I would say is that the</p> <p>10 purpose for -- for all the transactions, including</p> <p>11 the funding agreement, including the additional</p> <p>12 merger, all of that was to enable LTL to file for</p> <p>13 bankruptcy to resolve these talc claims, you know,</p> <p>14 efficiently and fully.</p> <p>15 The -- the thought that LTL would not</p> <p>16 have filed bankruptcy -- I think I've testified in</p> <p>17 the prior proceeding everyone expected --</p> <p>18 there's -- there's no reasonable way to view LTL's</p> <p>19 situation and -- and not know that it was filing</p> <p>20 for bankruptcy.</p> <p>21 So I would say the -- the entire purpose</p> <p>22 of the entire agree -- all the agreements,</p> <p>23 including the funding agreement, was to enhance</p> <p>24 LTL's ability to resolve these claims in</p> <p>25 bankruptcy including the J &amp; J guarantee. You</p>	<p>1 Q. And you know that Greg Gordon told Judge</p> <p>2 Kaplan on the record that the 2021 funding</p> <p>3 agreement was available to pay talc claims outside</p> <p>4 of bankruptcy even if the case was dismissed,</p> <p>5 correct?</p> <p>6 A. Correct, based upon the facts and the</p> <p>7 law that we knew at the time. That's absolutely</p> <p>8 correct.</p> <p>9 What -- what changed --</p> <p>10 <b>Q. Okay.</b></p> <p>11 MS. BROWN: Let him finish.</p> <p>12 I'm sorry, Jerry. He's not done.</p> <p>13 Go ahead.</p> <p>14 A. What changed was when the Third Circuit</p> <p>15 decision came in and said that the -- the fund --</p> <p>16 basically it took the provision that we were</p> <p>17 relying on to help LTL in bankruptcy and said that</p> <p>18 provision actually prevented the LTL bankruptcy.</p> <p>19 That -- that changed -- that changed everything</p> <p>20 and -- and so you have to look at Mr. Gordon's</p> <p>21 statements in that context.</p> <p>22 <b>Q. Now, sir, when LTL filed for bankruptcy</b></p> <p>23 <b>on October 14th, 2021, you knew that there was a</b></p> <p>24 <b>risk that that bankruptcy case would be dismissed,</b></p> <p>25 <b>correct?</b></p>
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<p>1 know, the J &amp; J guarantee was there to help the</p> <p>2 bankruptcy process and the resolution of the</p> <p>3 claims.</p> <p>4 And so when the Third Circuit made a</p> <p>5 decision that said the -- the guarantee not only</p> <p>6 did not enhance the -- the bankruptcy, but, in</p> <p>7 fact, was the reason why it shouldn't go forward,</p> <p>8 I would say that was a frustration of the</p> <p>9 purpose.</p> <p>10 <b>Q. Okay. And we can go back and look at</b></p> <p>11 <b>it, but you know that your first day declaration</b></p> <p>12 <b>from October of 2021 describes the funding</b></p> <p>13 <b>agreement and describes that that funding</b></p> <p>14 <b>agreement is available to LTL both inside of</b></p> <p>15 <b>bankruptcy and outside of bankruptcy, correct?</b></p> <p>16 A. And I stand by that based upon what we</p> <p>17 knew at the time.</p> <p>18 <b>Q. Okay. And you, sir, you were in court</b></p> <p>19 <b>for the motion to dismiss hearing in February of</b></p> <p>20 <b>2022, correct?</b></p> <p>21 A. I was.</p> <p>22 <b>Q. And you were there when Greg Gordon gave</b></p> <p>23 <b>his closing argument in favor of dismissal,</b></p> <p>24 <b>correct?</b></p> <p>25 A. I was.</p>	<p>1 A. There was always a risk, but we did not</p> <p>2 know that that risk was based upon the very clause</p> <p>3 that we put in to enhance the bankruptcy.</p> <p>4 <b>Q. And when you signed that bankruptcy</b></p> <p>5 <b>petition that was filed on October 14th, 2021, why</b></p> <p>6 <b>was it that you understood that there was a risk</b></p> <p>7 <b>that that bankruptcy would be dismissed?</b></p> <p>8 A. There could be various reasons, but what</p> <p>9 we did not contemplate was that the bankruptcy</p> <p>10 would be dismissed because of the clause that we</p> <p>11 were using to help to enhance the -- the</p> <p>12 possibility of -- of LTL resolving these --</p> <p>13 these -- the talc litigation in the bankruptcy.</p> <p>14 <b>Q. And when you filed the bankruptcy case</b></p> <p>15 <b>for LTL on October 14th, 2021, what were the</b></p> <p>16 <b>various ways that you could foresee would be a</b></p> <p>17 <b>basis for the dismissal of that bankruptcy when</b></p> <p>18 <b>you filed it?</b></p> <p>19 MS. BROWN: And, Mr. Kim, to</p> <p>20 the extent that's based on legal</p> <p>21 advice, don't -- don't divulge any</p> <p>22 legal discussions.</p> <p>23 A. I would -- I would say -- yeah, I</p> <p>24 would say it's all sort of legal conclusions and</p> <p>25 advice.</p>

1 nowhere. 2 A. I can hear you. 3 Q. All right. Great. I'll get right to 4 it. 5 Mr. Kim, I believe earlier today you 6 testified that LTL continues to believe that it 7 was in financial distress prior to the Third 8 Circuit's ruling, is that correct? 9 A. We -- we do. 10 Q. All right. So even under Funding 11 Agreement One, the 2021 funding agreement, LTL 12 believes even today that it was in financial 13 distress? 14 A. It does. 15 Q. Okay. And -- and LTL believes under 16 Funding Agreement Two that it is not insolvent, 17 but that it remains in financial distress? 18 A. It does. 19 Q. All right. And -- and the basis for 20 that belief of financial distress is the same 21 under Funding Agreement Two as it was under 22 Funding Agreement One. Is that fair? 23 A. I'm not sure I can parse that through. 24 Can you -- can you repeat that? 25 Q. Sure. Let me come at it a different	Page 201 1 question of financial distress, whether LTL can 2 fund its liabilities as they're going to be 3 expected to come due. 4 So let me ask you a different question 5 then. Prior to funding -- filing of LTL 1, what 6 was the annual indemnity and cost to defense 7 stream of payments for the Johnson & Johnson 8 family for talc litigation? 9 A. Yeah, I -- I don't recall right now. I 10 testified at length to that in the last 11 proceeding. 12 Q. Okay. 13 A. I stand on the record on that. 14 Q. My -- my question is it was no more -- 15 if we exclude the Ingham verdict, it wasn't any 16 more than \$2 billion a year. Is that consistent 17 with your recollection? 18 A. Actually, sitting here today, I -- I 19 don't recall. I just -- I'd rely on the -- my 20 last testimony from the prior proceeding. 21 Q. Whatever that number was, can we agree, 22 Mr. Kim, that if the court dismisses this 23 bankruptcy ten days from now and LTL returns to 24 the court system, for the foreseeable future 25 backed with its own assets, the stream of royalty
Page 202 1 way. 2 You understand that people representing 3 claimants may contend that the rescission of 4 Funding Agreement One and replacement of it with 5 Funding Agreement Two was a fraudulent transfer. 6 You understand that claim may be made? 7 A. I do. 8 Q. All right. And -- and I believe you 9 testified earlier that you do not believe that it 10 was, in fact, a fraudulent transfer. 11 A. I do. 12 Q. All right. And -- and can we agree that 13 it is your belief that the substitution of Funding 14 Agreement Two for Funding Agreement One did not 15 render LTL insolvent? 16 A. Yes. 17 Q. All right. And can we also agree that 18 it is your belief that at least toward the 19 immediate future, the substitution of Funding 20 Agreement Two for Funding Agreement One did not 21 impair LTL's ability to fund its top liabilities 22 inside or outside of bankruptcy? 23 A. Actually, I don't know that I can give 24 that legal conclusion right now. 25 Q. Well, so -- so that's part of the	Page 202 1 payments and the other assets that you described, 2 and backed with the funding agreement with Holdco, 3 LTL will be able to manage its asbestos talc 4 liabilities for the next three years? 5 MS. BROWN: Object; 6 hypothetical. 7 THE WITNESS: Hypothetical. 8 MS. BROWN: Calls for a legal 9 conclusion. Incomplete. 10 A. Yeah, I can't -- I can't answer that. 11 Q. Would LTL be able to -- so you -- you 12 cannot say as you sit here today that LTL has any 13 evidence that it would not be able to fund its 14 talc liabilities in the tort system for the next 15 two, five or ten years if the court returns it to 16 the tort system? 17 MS. BROWN: Object. That 18 misstates his testimony. 19 Q. Correct? 20 A. Yeah. That -- yeah, that misstates my 21 testimony. It could be that -- you know, again, 22 just looking at -- you're just looking at costs. 23 But, you know -- and the cost -- the cost of what 24 a tort claim is. There are other litigations 25 going on including AG litigation, including the

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<p>1 securities litigation, and there's the runaway 2 verdict issue.</p> <p>3 So, you know, your time frame of -- I 4 think -- I think what you're really getting at is 5 the imminency. I -- I would say that we are in 6 imminent financial distress if we get dismissed.</p> <p>7 <b>Q. If you get dismissed and other things</b> <b>8 happen, then there's a possibility --</b></p> <p>9 A. No.</p> <p>10 <b>Q. -- that LTL might not be able to meet</b> <b>11 its obligations. Is that fair?</b></p> <p>12 A. No. I would say we are in imminent 13 financial distress.</p> <p>14 <b>Q. Okay. So what is the imminent -- what</b> <b>15 is the factual basis for the imminent financial</b> <b>16 distress of LTL given the fact that it's backed by</b> <b>17 Holdco which has a market value of somewhere</b> <b>18 around \$30 billion and LTL's own considerable</b> <b>19 entity?</b></p> <p>20 MS. BROWN: And, again, I'll 21 caution you. Just reveal factual 22 information not legal advice.</p> <p>23 A. So I would rely on the testimony from 24 the last proceeding that -- where the court found 25 that we were in financial distress just based --</p>	<p>1 <b>any amounts under the funding agreement?</b> 2 MS. BROWN: Objection; 3 assumes facts --</p> <p>4 <b>Q. In its --</b> 5 (Unintelligible cross talk; 6 reporter requests one speaker.)</p> <p>7 <b>Q. All right. Did Johnson &amp; Johnson ever</b> <b>8 refuse to pay any amounts requested by LTL under</b> <b>9 Funding Agreement One?</b></p> <p>10 MS. BROWN: Lacks foundation.</p> <p>11 A. I don't recall. I'd have to --</p> <p>12 <b>Q. Did --</b> 13 A. Yeah, I'd have to -- yeah, I don't 14 believe that it -- that it refused funding, but 15 that's a different question than whether the 16 funding agreement is voidable.</p> <p>17 <b>Q. Did Johnson &amp; Johnson ever tell LTL that</b> <b>18 it would not honor the funding agreement because</b> <b>19 it considered it to be void or voidable? Not that</b> <b>20 it might, not that it could be void or voidable.</b></p> <p>21 <b>Did Johnson &amp; Johnson ever tell LTL we're not</b> <b>22 going to pay, you can't make us?</b></p> <p>23 A. They're conversations with counsel.</p> <p>24 MS. BROWN: Okay. To the 25 extent answering this question</p>
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<p>1 based upon when -- when it was -- when we had New 2 JJCI funding agreement.</p> <p>3 <b>Q. All right.</b></p> <p>4 A. It's the same -- the same -- the same 5 basis.</p> <p>6 And, in fact, I think our liabilities 7 probably have increased since then because of 8 the -- you know, the -- the -- the passage of 9 time. And so I think based upon all -- all the 10 factors that were in the prior proceeding would be 11 applicable to the current proceeding.</p> <p>12 <b>Q. Okay. Mr. Kim, the court that you just</b> <b>13 referred to in that answer is the bankruptcy</b> <b>14 court, Judge Kaplan, correct?</b></p> <p>15 A. That is.</p> <p>16 <b>Q. Okay. Great.</b></p> <p>17 <b>Different questions.</b></p> <p>18 <b>Johnson &amp; Johnson never formally</b> <b>19 rescinded the funding agreement prior to its</b> <b>20 rescission and agreement with LTL, correct?</b></p> <p>21 MS. BROWN: Objection; vague.</p> <p>22 I don't understand the question.</p> <p>23 <b>Q. All right. Let me try it a different</b> <b>24 way.</b></p> <p>25 <b>Did Johnson &amp; Johnson ever refuse to pay</b></p>	<p>1 implicates legal discussions, common 2 interest privilege, I'm going to 3 instruct you not to answer.</p> <p>4 <b>Q. That was a conditional instruction,</b> <b>5 Mr. Kim. Are you going to not answer at all?</b></p> <p>6 A. Yeah, it -- it would implicate legal --</p> <p>7 legal discussions.</p> <p>8 <b>Q. So as we sit here today, there's no</b> <b>9 evidence that Johnson &amp; Johnson ever declared the</b> <b>10 funding agreement void or -- or rescinded its</b> <b>11 commitment to honor the funding agreement,</b> <b>12 correct?</b></p> <p>13 MS. BROWN: That -- that 14 misstates his testimony. I object.</p> <p>15 A. I would say --</p> <p>16 <b>Q. Is that correct?</b></p> <p>17 A. I would say, as I testified, both</p> <p>18 Johnson &amp; Johnson and LTL concluded that the</p> <p>19 contract -- there's a material risk that the</p> <p>20 funding agreement was void or voidable and</p> <p>21 unenforceable.</p> <p>22 <b>Q. Okay. The material risk depends on</b> <b>23 Johnson &amp; Johnson refusing to pay and then LTL</b> <b>24 attempting to enforce, correct?</b></p> <p>25 A. It does not, no.</p>

1                   MR. RUCKDESCHEL: Okay. No 2                   further questions from me. 3                   CROSS-EXAMINATION 4                   BY MR. THOMPSON: 5 <b>Q. Hello, Mr. Kim. Clay Thompson with</b> 6 <b>Maune Raichle on behalf of Katherine Tollefson.</b> 7 <b>Can you hear me okay?</b> 8                   A. I can, Mr. Thompson. 9 <b>Q. Okay. Just following up on Mr.</b> 10 <b>Ruckdeschel's comments, are you saying that</b> 11 <b>outside of legal conversations with lawyers, you</b> 12 <b>never were told by anyone at Johnson &amp; Johnson</b> 13 <b>that Johnson &amp; Johnson was refusing to honor the</b> 14 <b>funding agreement?</b> 15                  A. Outside of any conversations I may have 16                  had, I -- yeah, I don't have any information about 17                  that. 18 <b>Q. What I'm saying is that no one came to</b> 19 <b>you -- you never went to Johnson &amp; Johnson with no</b> 20 <b>lawyers involved and they refused to honor the</b> 21 <b>funding agreement in your capacity as the LTL</b> 22 <b>Management chief legal officer, is that right?</b> 23                  A. I've -- I've never approached anyone at 24                  Johnson & Johnson about that, no. 25 <b>Q. And no one --</b>	Page 209	Page 211 1                   form. 2                   A. I would say Johnson & Johnson's talc 3                   liability is LTL's talc liability -- talc liability. 4 <b>Q. Right.</b> 5 <b>And so the purpose that -- LTL's purpose</b> 6 <b>of existence, formed in 2021 and filed for</b> 7 <b>bankruptcy in 2021 and then again three weeks ago,</b> 8 <b>its purpose is to resolve both Johnson &amp; Johnson's</b> 9 <b>talc liability and LTL's talc liability in a</b> 10 <b>bankruptcy, is that correct?</b> 11                  A. No. Again, I would say that Johnson & 12                  Johnson's talc liability is LTL's talc liability. 13                  There's no -- I don't believe there's a separate 14                  talc liability for Johnson & Johnson. 15 <b>Q. Right.</b> 16                  A. So it is -- 17 <b>Q. So --</b> 18                  (Unintelligible cross talk; reporter 19                  requests one speaker.) 20                  MS. BROWN: Okay. 21                  Mr. Thompson, he wasn't done. Let's 22                  just let him finish, please. 23                  Go ahead. 24                  A. To start over again, I believe that 25                  Johnson & Johnson's talc liability is LTL's talc
1                  A. Other than -- 2                  (Unintelligible cross talk; reporter 3                  requests one speaker.) 4                  A. I'm sorry. I'm sorry. Other than 5                  through lawyers. 6 <b>Q. Understood.</b> 7 <b>And -- and no one at Johnson &amp; Johnson</b> 8 <b>told you, outside of communications with lawyers</b> 9 <b>that there's some assertion of potential privilege</b> 10 <b>for, no one at Johnson &amp; Johnson ever told you</b> 11 <b>that they refused to honor the funding agreement</b> 12 <b>to LTL Management of which you are the chief legal</b> 13 <b>officer, is that right?</b> 14                  MS. BROWN: Objection; asked 15                  and answered. 16                  You can -- 17                  A. Other than through -- through 18                  discussions with lawyers. 19 <b>Q. Understood. Okay.</b> 20 <b>The purpose of LTL Management LLC, which</b> 21 <b>was formed in 2021, is to coordinate a mass</b> 22 <b>settlement of both LTL's talc liability and</b> 23 <b>Johnson &amp; Johnson's talc liability in a</b> 24 <b>bankruptcy. Is that fair?</b> 25                  MS. BROWN: Objection to the	Page 210	Page 212 1                  liabil -- talc liability and that -- so when you 2                  say that we're settling sort of two separate 3                  liabilities, I -- I would disagree with that. 4 <b>Q. I understand. I understand that that's</b> 5 <b>your -- your position. And I mean to allow you to</b> 6 <b>finish your answers. I just -- you know, there's</b> 7 <b>a bit of delay maybe over the Zoom.</b> 8                  Would you agree with me that if a plan 9                  were confirmed in this case, that it's LTL's 10                 intention that because of that, a bankruptcy plan 11                 confirmed, that no one will be permitted to sue 12                 J & J in the tort system? Is that a better way to 13                 put that? 14                  MS. BROWN: I -- I object and 15                  instruct you not to answer to the 16                  extent that that implicates legal 17                  discussions and legal conclusions. 18                  I also object to the 19                  hypothetical. 20 <b>Q. Well, I asked you if -- if the purpose</b> 21 <b>of LTL was to coordinate a settlement of all of</b> 22 <b>J &amp; J's talc liability and you said that you</b> 23 <b>didn't feel that J &amp; J had independent liability.</b> 24 <b>Is that accurate?</b> 25                  A. That is accurate. I -- I feel like all